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May 21, 2024

Dave Rhodes, Chief Auditor – Task Assigned  
School Board of Broward County, Florida

Dear Mr. Rhodes:

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the consulting services we will provide to the School Board of Broward County (“SBBC”, “District”).

### **Objectives, Services and Scope of Work**

The primary objectives of this internal audit is to assess whether the system of internal controls is adequate and appropriate for promoting and encouraging the achievement of management’s objectives in the categories of compliance with applicable laws, school board policies and administrative rules, and other guidelines. Focus will be on the control structure surrounding the Human Resources recruiting, hiring, selecting, new hire compensation, and employee termination processes. We understand the engagement objectives are to assist the Office of the Chief Auditor (OCA) in assessing compliance and the related internal controls over the steps in the Human Recourses processes to include recruiting, hiring and selection, new hire compensation, and employee termination/separation.

### **Approach**

#### *Phase 1 - Planning*

During this Phase, we will collaboratively work with the Chief Auditor – Task Assigned to create a risk- based work plan in order to assist the OCA in achieving the above objectives for execution in Phases 2 and 3. We will modify this work plan as needed based on the results of Phase 2.

#### *Phase 2 - Understanding and Documentation of the Process*

During this phase, we will hold an entrance conference with key personnel involved with the Human Resources processes to discuss the scope and objectives of the preliminary work plan developed in Phase 1, obtain preliminary data, and establish working arrangements. We will review the primary laws, rules and policies that govern the District’s Human Resources function within the scope of this internal audit including: Florida Statutes, Florida Department of Education Rules, SBBC’s Policies and Procedures. We will gain an understanding and document the recruiting, hiring and selection, new hire compensation, and employee termination/separation processes and related sub processes and related internal controls. We will conduct interviews with management and staff and document their respective roles in the processes.

Phase 3 - Detailed Testing & Benchmarking

The purpose of this phase is the execution of the work plan in Phase 1, based on our understanding of the Human Resources processes obtained in Phase 2, to meet the objectives stated above. Our detailed procedures will include inquiry, walkthrough, and testing of a sample of transactions in assessing compliance and the related internal controls over the steps in the Human Resources processes to include:

- Recruiting
  - Job Posting and Advertising
  - Job Descriptions
  - Organizational and Board Approvals
- Selection & Hiring
  - Candidate evaluation
  - Screening
  - Interviews
  - Use of selection committees
  - References and qualifications
  - Organizational and Board Approvals
  - Training, badging, and new hire paperwork
- Compensation
  - Determination of position compensation
  - Initial compensation/negotiation process
  - Supplements and stipends
  - Salary Grades
- Employee Termination/Separation
  - Calculation of final compensation
  - Suspending/deleting logical access to systems
  - Disabling physical access to facilities
- Compliance with applicable laws and regulation
- Effectiveness of efficiency of processes and related internal controls
- Quality and integrity of information systems supporting these processes
- Benchmarking against selected best practices

Phase 4 - Reporting

The final report will include the results of the procedures performed in Phases 2 and 3 above. We will also communicate with the Chief Auditor – Task Assigned throughout the engagement.

These services are consulting related and in no way constitute an audit, review or compilation made in accordance with standards established by the American Institute of Certified Public Accountants. Therefore, we will not express an opinion on any financial statements, accounts or items. The consulting services will be conducted according to industry standards such as the AICPA's *Professional Standards for Consulting Services*.

Our engagement cannot be relied upon to disclose errors, fraud or illegal acts that may exist. However, we will inform you of any material errors and any evidence or information that comes to our attention during the performance of our consulting procedures that indicates fraud may have occurred. In addition, we will report to you any evidence or information that comes to our attention during the performance of our consulting procedures regarding illegal acts that may have occurred,

unless they are clearly inconsequential.

You agree to assume all management responsibilities and make all decisions for these consulting services, and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them. Robert L. Broline Jr. is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

### **Fees**

Our fees for the services described in this engagement letter are based on an estimated 610 hours with total fees not to exceed \$110,000. We will bill our time based on actual hours incurred times the hourly rates stipulated in the contract. These not to exceed fees are based on the assumption that meetings and fieldwork will be done remotely. The only in-person meetings would include one attendance of an Audit Committee meeting and School Board meeting. If we encounter circumstances that would require us to expand the scope of the engagement, we will discuss this with you before doing additional work.

CRI acknowledges that fees for its engagement by SBBC are governed by Section 2.04 of the parties' contract. CRI acknowledges that pursuant to Section 3.06 of the parties' contract and General Condition 5.4 of RFP # FY20- 003 – "Construction, Operational and Information Technology Auditing Services," any invoices CRI submits to SBBC are subject to the Local Government Prompt Payment Act (Part VII of Chapter 218, Florida Statutes). CRI acknowledges that the terms and conditions for default and for termination of its contract with SBBC are respectively in Sections 3.04 and 3.05 of that contract and may not be modified except by an amendment as permitted by Section 3.15 of the contract.

### **Statute of Limitations**

CRI acknowledges that pursuant to Section 3.06 of its contract with SBBC and General Condition 5.4 of RFP # FY20-003 – "Construction, Operational and Information Technology Auditing Services," the applicable Florida statute of limitation shall govern any actions arising under the contract and that such period of limitation shall not be modified by any document other than the contract or an amendment thereto pursuant to Section 3.15 of the contract. CRI acknowledges that any disputes under its contract with SBBC are not subject to arbitration, but rather are subject to litigation as referenced in Section 3.08 of the parties' contract and General Condition 5.4 of RFP # FY20-003 – "Construction, Operational and Information Technology Auditing Services."

### **Electronic Data Communication and Storage and Use of Third Party Service Provider**

In the interest of facilitating our services to your company, we may send data over the Internet, securely store electronic data via computer software applications hosted remotely on the Internet, or allow access to data through third-party vendors' secured portals or clouds. Electronic data that is confidential to your company may be transmitted or stored using these methods. We may use third-party service providers to store or transmit this data, such as, but not limited to, providers of tax return preparation software. In using these data communication and storage methods, our firm employs measures designed to maintain data security.

We use reasonable efforts to keep such communications and data access secure in accordance with our

obligations under applicable laws and professional standards. We also require our third-party vendors to do the same.

CRI acknowledges that it is responsible for the conduct of its work under the contract and, pursuant to Section 3.16 of the parties' contract, that SBBC does not waive any liability that CRI may have arising from work that CRI chooses to subcontract or arising from CRI's use of resources obtained from third party vendors.

To enhance our services to you, we will use a combination of remote access, secure file transfer, virtual private network or other collaborative, virtual workspace or other online tools or environments. Access through any combination of these tools allows for on-demand and/or real-time collaboration across geographic boundaries and time zones and allows CRI and you to share data, engagement information, knowledge, and deliverables in a protected environment. CRI acknowledges that the scope of its liability is governed by the parties' contract and the terms and conditions of RFP # FY20-003 – "Construction, Operational and Information Technology Auditing Services." CRI acknowledges that General Conditions 2.6; 4.2.1; 5.1 and 5.3 of Section 2 of RFP # FY20-003 – "Construction, Operational and Information Technology Auditing Services" expressly precluded proposers including CRI from limiting their liability beyond any limitations permitted by General Condition 7.1 and that doing so would have rendered CRI's submittal under the RFP to be non-responsive and causing CRI to be ineligible for award. In the event you suffer a loss of any files or records due to accident, inadvertent mistake, or Act of God, copies of which you have provided to us pursuant to this agreement, we shall not be responsible or obligated to provide you a copy of any such file or record, which we may retain in our possession.

### Conditions and Specifications

The conditions and specifications of **RFP20-003** apply to this consulting engagement and are part of our agreement. We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

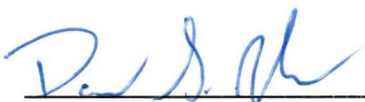
*Carr, Riggs & Ingram, L.L.C.*

Response:

This engagement letter and the conditions and specifications correctly set forth our understanding and acceptance of this agreement.

Acknowledged and accepted: School Board of Broward County Dave Rhodes, Chief Auditor – Task Assigned

By:



Date:

5/21/24